

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Application of Pacific Gas and Electric
Company For Adoption of Electric Revenue
Requirements and Rates Associated with its
2012 Energy Resource Recovery Account
(ERRA) and 2012 Generation Non-Bypassable
Charges Forecasts.

Application A.11-06-004
(Filed June 1, 2011)

(U 39 E)

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)
PROOF OF RULE 3.2(d) COMPLIANCE**

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Dated: July 25, 2011

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

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**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)
PROOF OF RULE 3.2(D) COMPLIANCE**

Pacific Gas and Electric Company (PG&E) hereby provides proof of compliance with Rule 3.2(d) of the California Public Utilities Commission's Rules of Practice and Procedure. Attachment A demonstrates that PG&E met the requirement specified in Rule 3.2(d) by mailing a bill insert describing the rate increase associated with the above-referenced Application to affected customers. Mailing of the insert was completed on July 15, 2011.

Respectfully Submitted,

ALICE L. REID
MARK R. HUFFMAN

By: _____ /s/

MARILYN WALKER
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Dated: July 25, 2011

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

Attachment A

DECLARATION OF MAILING NOTICE OF FILING TO CUSTOMERS

I, Tim M. Trujillo, an employee of Pacific Gas & Electric Company, state that I am a citizen of the United States and employed in the City of West Sacramento, County of Yolo, and State of California; that I am over the age of eighteen (18) years and not a party to the within cause; that my business address is 885 Embarcadero Drive, West Sacramento, California; and that a printed copy of the attached Application Filing by Pacific Gas and Electric Company for 2012 Electric Procurement Forecast Costs and Other Project Costs, No. A.11-06-004 was enclosed with customer bills during the period beginning June 16, 2011 and ending July 15, 2011.

I declare under penalty of perjury that the foregoing is true and correct.

Dated, July 19, 2011, at West Sacramento, California.



TIM M. TRUJILLO

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allowance, will see his or her average monthly bill change from \$178.64 to \$183.97, an increase of \$5.33 per month. Individual customers' bills may differ.

FOR FURTHER INFORMATION

To request a copy of the application and exhibits or for more details, call PG&E at 1-800-743-5000. For TDD/TTY (speech-hearing impaired), call 1-800-652-4712.

You may request a copy of the application and exhibits by writing to:

Pacific Gas and Electric Company
2012 ERRRA and 2012 Generation Non Bypassable Forecast Proceeding
P.O. Box 7442, San Francisco, CA 94120

THE CPUC PROCESS

The CPUC's Division of Ratepayer Advocates (DRA) and the Energy Division will review this application.

The DRA is an independent arm of the CPUC, created by the Legislature to represent the interests of all utility customers throughout the state and obtain the lowest possible rate for service consistent with reliable and safe service levels. The DRA has a multi-disciplinary staff with expertise in economics, finance, accounting and engineering. The DRAs views do not necessarily reflect those of the CPUC. Other parties of record may also participate.

The CPUC may hold evidentiary hearings where parties of record present their proposals in testimony and are subject to cross-examination before an Administrative Law Judge (ALJ). These hearings are open to the public, but only those who are parties of record may present evidence or cross-examine witnesses during evidentiary hearings. Members of the public may attend, but not participate in, these hearings.

After considering all proposals and evidence presented during the hearing process, the ALJ will issue a draft decision. When the CPUC acts on this application, it may adopt all or part of PG&E's request, amend or modify it, or deny the application. The CPUC's final decision may be different from PG&E's application.

If you would like to learn how you can participate in this proceeding or if you have comments or questions, you may contact the CPUC's Public Advisor as follows:

Public Advisor's Office
505 Van Ness Avenue
Room 2103
San Francisco, CA 94102

If you are writing a letter to the Public Advisor's Office, please include the number of the application (A-11-06-004) to which you are referring. All comments will be circulated to the Commissioners, the assigned Administrative Law Judge and the Energy Division staff.

A copy of PG&E's 2012 ERRRA and 2012 Non Generation Forecast Proceeding and exhibits are also available for review at the California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA 94102, Monday-Friday, 8 a.m.-noon and on the CPUC's website at www.cpuc.ca.gov/puc.



CPUC
CALIFORNIA PUBLIC UTILITIES COMMISSION

FRONT

Para más detalles llame al 1-800-660-6789 • 詳情請致電 1-800-693-9555

NOTIFICATION OF PACIFIC GAS AND ELECTRIC COMPANY'S 2012 ELECTRIC PROCUREMENT FORECAST COSTS AND OTHER PROJECT COSTS APPLICATION (A-11-06-004)

On June 1, 2011, Pacific Gas and Electric Company (PG&E) filed application 11-06-004 with the California Public Utilities Commission (CPUC) to request an increase in electricity rates of \$205 million, or an average of approximately 1.6 percent, effective January 1, 2012. This increase is due primarily to rising energy prices as compared with the current costs reflected in PG&E rates.

Each year, PG&E is required to file an application that forecasts how much it will spend the following year to ensure an adequate supply of electricity for its customers. The CPUC carefully reviews PG&E's forecast to ensure that customers are not charged more for electricity than it costs PG&E to provide. The forecasted costs approved by the CPUC are included in PG&E's electric rates the following year. During that year, PG&E's actual costs and revenues are tracked, and any difference is allocated to PG&E's customers at a later date.

This application requests that the CPUC adopt PG&E's 2012 electric procurement forecast of approximately \$4.5 billion for the Energy Resource Recovery Account (ERRA) and Generation Non Bypassable Forecast costs. PG&E recovers its electric procurement costs dollar for dollar, with no profit margin.

Will rates increase as a result of this application?

Yes, because of rising energy costs, rates will increase for most customers; although impacts for individual customers will vary. As shown in the table below, bundled customers, or those customers who receive electric generation as well as transmission and distribution service from PG&E, will see rate increases. Most direct access customers, or those customers who purchase their energy from a non-utility supplier, will see rate decreases.

Illustrative Revenue Change—2012 ERRRA Application
(Dollars in Thousands)

Customer Class	Bundled ¹		Application ²		Disputed ³	
	Proposed Change	Percent Change	Proposed Change	Percent Change	Proposed Change	Percent Change
Residential	\$105,333	2.0%	-\$972	-4.0%	-\$397	-3.6%
Small Commercial	\$28,482	1.8%	-\$730	-5.7%	-\$22	-25.7%
Medium Commercial	\$29,057	2.1%	-\$4,395	-5.8%	-\$54	-9.8%
Large Commercial	\$35,024	2.3%	-\$13,022	-5.6%	-\$249	-16.1%
Street Lights	\$1,076	1.5%	N/A	N/A	\$60	-6.3%
Standby	\$1,368	2.6%	\$1	0.2%	-\$9	-10.6%
Agriculture	\$19,589	1.9%	-\$161	-5.9%	-\$1,093	-4.7%
Industrial	\$28,227	2.4%	-\$16,703	-6.9%	-\$5	-0.1%
Total	\$242,510	2.1%	-\$18,503	-2.7%	-\$1,819	-4.8%

¹ Customers who receive electric generation as well as transmission and distribution service from PG&E.

² Customers who purchase energy from non-PG&E suppliers.

³ Customers who purchase their electricity from a non-utility supplier and receive transmission and distribution service from a publicly owned utility or municipality.

If the CPUC approves this application, a typical bundled residential customer using 550 kilowatt-hours (kWh) per month will see his or her average monthly bill change from \$79.70 to \$80.61, an increase of \$0.91 per month. A residential customer using 650 kWh per month, which is about twice the baseline